



Rep. Barbara Flynn Currie

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LRB096 04938 HLH 43878 a

1 AMENDMENT TO HOUSE BILL 1366

2 AMENDMENT NO. _____. Amend House Bill 1366 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Property Tax Code is amended by changing
5 Sections 9-195 and 15-35 and by adding Section 15-57 as
6 follows:

7 (35 ILCS 200/9-195)

8 Sec. 9-195. Leasing of exempt property.

9 (a) Except as provided in Sections 15-35, 15-55, 15-57,
10 15-60, 15-100, 15-103, and 15-185, when property which is
11 exempt from taxation is leased to another whose property is not
12 exempt, and the leasing of which does not make the property
13 taxable, the leasehold estate and the appurtenances shall be
14 listed as the property of the lessee thereof, or his or her
15 assignee. Taxes on that property shall be collected in the same
16 manner as on property that is not exempt, and the lessee shall

1 be liable for those taxes. However, no tax lien shall attach to
2 the exempt real estate. The changes made by this amendatory Act
3 of 1997 and by this amendatory Act of the 91st General Assembly
4 are declaratory of existing law and shall not be construed as a
5 new enactment. The changes made by Public Acts 88-221 and
6 88-420 that are incorporated into this Section by this
7 amendatory Act of 1993 are declarative of existing law and are
8 not a new enactment.

9 (b) The provisions of this Section regarding taxation of
10 leasehold interests in exempt property do not apply to any
11 leasehold interest created pursuant to any transaction
12 described in subsection (e) of Section 15-35, item (a) of
13 Section 15-35, Section 15-57, subsection (c-5) of Section
14 15-60, subsection (b) of Section 15-100, Section 15-103, or
15 Section 15-185.

16 (Source: P.A. 92-844, eff. 8-23-02; 92-846, eff. 8-23-02;
17 93-19, eff. 6-20-03.)

18 (35 ILCS 200/15-35)

19 Sec. 15-35. Schools. All property donated by the United
20 States for school purposes, and all property of schools, not
21 sold or leased or otherwise used with a view to profit, is
22 exempt, whether owned by a resident or non-resident of this
23 State or by a corporation incorporated in any state of the
24 United States. Also exempt is:

25 (a) property, along with the leasehold interest in that

1 property, of schools which is leased to the State, a unit
2 of local government, or school district ~~municipality~~ to be
3 used for governmental ~~municipal~~ purposes on a
4 not-for-profit basis;

5 (b) property of schools on which the schools are
6 located and any other property of schools used by the
7 schools exclusively for school purposes, including, but
8 not limited to, student residence halls, dormitories and
9 other housing facilities for students and their spouses and
10 children, staff housing facilities, and school-owned and
11 operated dormitory or residence halls occupied in whole or
12 in part by students who belong to fraternities, sororities,
13 or other campus organizations;

14 (c) property donated, granted, received or used for
15 public school, college, theological seminary, university,
16 or other educational purposes, whether held in trust or
17 absolutely;

18 (d) in counties with more than 200,000 inhabitants
19 which classify property, property (including interests in
20 land and other facilities) on or adjacent to (even if
21 separated by a public street, alley, sidewalk, parkway or
22 other public way) the grounds of a school, if that property
23 is used by an academic, research or professional society,
24 institute, association or organization which serves the
25 advancement of learning in a field or fields of study
26 taught by the school and which property is not used with a

1 view to profit;

2 (e) property owned by a school district. The exemption
3 under this subsection is not affected by any transaction in
4 which, for the purpose of obtaining financing, the school
5 district, directly or indirectly, leases or otherwise
6 transfers the property to another for which or whom
7 property is not exempt and immediately after the lease or
8 transfer enters into a leaseback or other agreement that
9 directly or indirectly gives the school district a right to
10 use, control, and possess the property. In the case of a
11 conveyance of the property, the school district must retain
12 an option to purchase the property at a future date or,
13 within the limitations period for reverters, the property
14 must revert back to the school district.

15 (1) If the property has been conveyed as described
16 in this subsection, the property is no longer exempt
17 under this Section as of the date when:

18 (A) the right of the school district to use,
19 control, and possess the property is terminated;

20 (B) the school district no longer has an option
21 to purchase or otherwise acquire the property; and

22 (C) there is no provision for a reverter of the
23 property to the school district within the
24 limitations period for reverters.

25 (2) Pursuant to Sections 15-15 and 15-20 of this
26 Code, the school district shall notify the chief county

1 assessment officer of any transaction under this
2 subsection. The chief county assessment officer shall
3 determine initial and continuing compliance with the
4 requirements of this subsection for tax exemption.
5 Failure to notify the chief county assessment officer
6 of a transaction under this subsection or to otherwise
7 comply with the requirements of Sections 15-15 and
8 15-20 of this Code shall, in the discretion of the
9 chief county assessment officer, constitute cause to
10 terminate the exemption, notwithstanding any other
11 provision of this Code.

12 (3) No provision of this subsection shall be
13 construed to affect the obligation of the school
14 district to which an exemption certificate has been
15 issued under this Section from its obligation under
16 Section 15-10 of this Code to file an annual
17 certificate of status or to notify the chief county
18 assessment officer of transfers of interest or other
19 changes in the status of the property as required by
20 this Code.

21 (4) The changes made by this amendatory Act of the
22 91st General Assembly are declarative of existing law
23 and shall not be construed as a new enactment; and

24 (f) in counties with more than 200,000 inhabitants
25 which classify property, property of a corporation, which
26 is an exempt entity under paragraph (3) of Section 501(c)

1 of the Internal Revenue Code or its successor law, used by
2 the corporation for the following purposes: (1) conducting
3 continuing education for professional development of
4 personnel in energy-related industries; (2) maintaining a
5 library of energy technology information available to
6 students and the public free of charge; and (3) conducting
7 research in energy and environment, which research results
8 could be ultimately accessible to persons involved in
9 education.

10 (Source: P.A. 91-513, eff. 8-13-99; 91-578, eff. 8-14-99;
11 92-16, eff. 6-28-01.)

12 (35 ILCS 200/15-57 new)

13 Sec. 15-57. Government property leased to another
14 government entity. If property is owned by the State, a unit of
15 local government, or a school district and that property is
16 leased to the State, a unit of local government, or a school
17 district, then the property is exempt from taxation under this
18 Code and the leasehold interest is exempt from taxation under
19 this Code or under any other law. The provisions of this
20 Section apply notwithstanding any other provision of law.

21 Section 90. The State Mandates Act is amended by adding
22 Section 8.35 as follows:

23 (30 ILCS 805/8.35 new)

1 Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8
2 of this Act, no reimbursement by the State is required for the
3 implementation of any mandate created by this amendatory Act of
4 the 96th General Assembly.

5 Section 95. Applicability. The changes made by this
6 amendatory Act of the 96th General Assembly apply to taxable
7 years 2010 and thereafter. In addition, the changes made by
8 this amendatory Act of the 96th General Assembly also apply to
9 taxable years prior to 2010, but no such taxes paid for any
10 taxable year prior to 2010 need be refunded.

11 Section 97. Severability. The provisions of this Act are
12 severable under Section 1.31 of the Statute on Statutes.

13 Section 99. Effective date. This Act takes effect upon
14 becoming law."